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Services



**NONAPPROPRIATED FUND PERSONNEL
MANAGEMENT AND ADMINISTRATION**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFR 34-3, *Morale, Welfare, Recreation, and Services Nonappropriated Funds Personnel Management and Administration*, and basic policies for managing and administering employees of US nonappropriated fund instrumentalities (NAFIs). For mandatory procedures on implementing the guidance in this instruction, see AFMAN 34-310, *Nonappropriated Fund Personnel Program Management and Administration Procedures*, AFMAN 34-312, *Human Resources Assessment of Personnel Management and Administration*, and AFMAN 34-313, *Human Resources Nonappropriated Fund (NAF) Personnel Management and Administration Standardized Position Descriptions and Position Guides, and Classification Standards Use*.

This instruction directs collecting and maintaining information subject to the Privacy Act of 1974 authorized by 10 U.S.C. 8013. System of records notice F040 AF NAFI B, Nonappropriated Fund (NAF) Civilian Personnel Records - Manpower, applies.

This instruction applies to Air Force NAF employees, including NAF employees in Panama who can follow it without violating the policies of the Panama Area Personnel Board and applicable law. This instruction does not apply to:

- Employees of private organizations.
- Air Force (AF) appropriated fund (APF) civilians.
- Independent contractors.
- Individuals who work for contractors and concessionaires.
- Certain local and third-country national employees.
- Army and Air Force Exchange Service (AAFES) employees.

Attachment 1 contains a list of references used in this instruction.

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Chapter 1

GENERAL INFORMATION

1.1. Legal Status of NAF Civilian Employees. NAF employees are federal employees of the Department of Defense (DoD). Because these employees are paid with NAFs, they are distinguished from other Air Force civilian employees paid from funds appropriated by the Congress.

1.2. Types of Appointments. NAF employees can obtain two types of appointments:

- Regular.
- Flexible.

1.2.1. Employees may obtain either type of appointment on a limited-term basis.

1.2.2. The Air Force guarantees regular employees 20 to 40 hours per week.

1.2.3. The needs of the activity determine flexible employees' work hours.

1.2.3.1. Although the Air Force doesn't guarantee that flexible employees will work every week, they may work up to 40 hours per week.

1.2.4. Activities post a work schedule for all employees.

1.3. Human Resources Office (HRO) Manpower Standards. The following prescribes the number of NAF employees authorized in the HRO. Services Commanders will ensure that these numbers of NAF authorizations are not exceeded:

Number of NAF Employees Served	* Manpower Required
0 - 161	1
162 - 312	2
313 - 462	3
463 - 612	4
613 - 761	5
762 - 901	6
902 - 1040	7
1041 - 1180	8
1181 - 1320	9
1321 - 1459	10
1460 - 1599	11
1600 - 1739	12
1740 - 1878	13
1879 - 2018	14

* In addition to the NAF manpower shown above, each HRO is authorized one appropriated fund position for the Human Resources Officer.

1.4. Quality Assessment. Major commands and installation commanders assess the NAF personnel program in accordance with Air Force Manual (AFMAN) 34-312, *Human Resources Assessment of Personnel Management and Administration*.

Chapter 2

PREPARING AND MAINTAINING NAF PERSONNEL RECORDS

2.1. Responsibilities.

2.1.1. The Human Resources Office. The HRO maintains central custody of all employees':

- Standard Forms (SF) 66, **Official Personnel Folders (OPF)**.
- SF 66-C, **Merged Records Personnel Folder (MRPF)**.
- SF 66-D, **Employee Medical Folder (EMF)**.

2.1.1.1. The HRO prepares, maintains, safeguards, and disposes of all records and forms that it uses for personnel administration according to AFI 37-131, *Air Force Freedom of Information Act Program*, AFI 37-132, *Air Force Privacy Act Program*, and AFI 37-133V2, *Records Disposition-Standards*.

2.1.1.2. The HRO uses an automated data system to set up and maintain employee and position data.

2.1.2. Managers and Supervisors of NAF Employees. Supervisors comply with this instruction by:

- Initiating personnel actions.
- Maintaining records on their employees.

2.2. Official Personnel Folder (OPF). The OPF contains records that accurately show an employee's most essential information from the date of employment to the date of separation. HROs:

- Prepare and maintain an OPF (SF 66) for each employee.
- File documents in an employee's OPF according to long term or temporary retention.
- File long term documents on the right side of the OPF and temporary documents on the left side of the OPF.

2.3. Employee Medical Folder (EMF). The EMF (SF 66-D) contains occupationally-related civilian employee medical records covering an individual's NAF employment. While medical facilities under the control of a medical officer retain medical records on civilian employees, HROs create and maintain the EMF for any records that the medical facility doesn't maintain.

2.4. Merged Records Personnel Folder (MRPF). The MRPF (SF 66-C) contains the personnel records of employees moving between NAF and civil service who receive benefits under the *Portability of Benefits for Nonappropriated Fund Employees Act of 1990*, (P.L. 101-508, Section 7202). Once the HRO establishes an MRPF for an employee, it is used to retain:

- The employee's records in all later NAF and civil service employment.
- Records from an employee's work in another employment system.

2.5. Disposition of Personnel Records and Folders. HROs dispose of personnel records and folders in accordance with AFMAN 37-139, *Disposition of Air Force Records - Records Disposition Schedule*.

2.6. Other Personnel Records and Forms. HROs do not set up any other personnel records and forms than those which this instruction requires.

2.7. Supervisor's Records. Supervisors maintain an employee work folder for all employees to document significant events and discussions concerning employee performance, recognition, and conduct.

2.7.1. Supervisors at higher levels do not keep duplicate sets of records.

2.7.2. Because the *Privacy Act* (5 U.S.C. 552a) applies to the employee work folder, supervisors must protect it from unauthorized access at all times.

2.8. Releasing Information From Personnel Folders. The *Privacy Act* gives employees the right to:

- Know what personnel records the Air Force collects, maintains, and distributes.
- Correct and amend their personnel records.

2.8.1. Air Force officials comply with AFI 37-131, *Air Force Freedom of Information Act Program*, and AFI 37-132, *Air Force Privacy Act Program*, when:

- Releasing information and documents in employee's personnel folders.
- Amending or correcting those records.
- Setting fees for providing records.

2.9. Reports. An automated NAF personnel data system (NAF-PS) is used by HROs to establish and maintain employee and position data, and to process personnel transactions. This data system is part of the overall Defense Civilian Personnel Data System (DCPDS) operated at all levels of the Air Force. Autodin batches are created from these transactions with each daily update of the base-level DCPDS, and transmitted twice weekly to update the Headquarters Air Force DCPDS file under RCS: HAF-MWR(D) 9104, *Nonappropriated Fund Personnel Transaction Register*. The Civilian Personnel Flight Personnel System Manager monitors incoming and outgoing autodin to ensure proper transmission of these transaction registers. (This report is designated emergency status code C2. Continue reporting during emergency conditions, normal precedence. Submit data requirements in this category as prescribed, or as soon as possible after submission of priority reports. Discontinue reporting during MINIMIZE.)

Chapter 3

EMPLOYMENT POLICIES, REQUIREMENTS, RESTRICTIONS, AND PROCEDURES

3.1. Equal Employment Opportunity (EEO). All personnel must strictly comply with Federal laws requiring EEO. Supervisors, managers and other authorities must base personnel actions only on the principles of merit and qualifications, without regard to:

- Race.
- Color.
- Sex.
- Religion.
- Age.
- National origin.
- Handicap.

3.2. Employing Veterans. Veterans receive employment preference at the time of hire over all other applicants provided they are equally qualified, with the exception of military spouse and transition hiring preference (THP) applicants, and applicants on reemployment priority lists; and in foreign areas, family members of military and civilian personnel assigned to the host country, and off-duty military personnel.

3.3. Employing Relatives. Officials do not appoint, employ or promote, nor advocate for appointment, employment or promotion, any individual who is a relative, in a civilian position or NAF activity over which they exercise jurisdiction or control.

3.4. Employing Minors. NAFIs only employ minors in accordance with:

- The FLSA.
- State and local labor laws.

3.5. Employing Retired US Military Personnel. Hiring officials give members of the uniformed services the same rights and considerations as all other applicants.

3.5.1. In hiring retired US military personnel, avoid:

- Giving preferential treatment.
- Holding positions open while awaiting their retirement.
- Employing anyone during the period of 180 days immediately after their retirement. **EXCEPTION:** The installation commander approves a waiver of the 180-day limit.
- Violating the *Dual Compensation Act*.

3.6. Employing Off-Duty Military Personnel. Hiring officials may employ off-duty military personnel in NAF positions if:

- The officials do not give preferential treatment.
- The military personnel do not perform the same duties as in their assigned military position.

3.7. Military Spouse Preference. Hiring officials give employment preference to military spouses of active duty military members in conjunction with their military sponsor's transfer in accordance with DoD Instruction 1404.12, *Employment of Spouses of Active Duty Military Members Stationed Worldwide*.

3.8. Transition Hiring Preference. Hiring officials give certain categories of involuntarily separated military members and their family members a Transition Hiring Preference (THP) in accordance with the *1991 National Defense Authorization Act* (Public Law 101-510).

3.9. Reinstating Employees. DoD NAFIs may reinstate regular employees who have completed a probationary period, and who separate other than for cause, within 6 months of their separation.

3.10. Employing NAF Annuitants. The Air Force suspends the annuity of a retired NAF employee who is rehired in a regular position for as long as the retired employee remains on active duty.

3.11. Veteran Reemployment Rights. NAF employees receive reemployment rights after military service in accordance with 38 U.S.C., Chapter 43.

3.12. DoD and OPM Interchange Agreement. In accordance with the agreement between the DoD and the Office of Personnel Management (OPM), employees serving in NAFIs may be appointed to positions in the competitive civil service, and employees serving in positions in the competitive civil service may be appointed to NAFI positions.

3.13. Employing in Foreign Areas. While Air Force policies for employing NAF personnel in the United States apply to US citizens or US nationals in foreign areas, they must not conflict with:

- Existing treaties.
- Agreements with host countries.

3.13.1. NAFIs in foreign areas employ non US citizen employees according to:

- The customs and practices in those areas.
- The terms of country-to-country agreements and directives.

3.13.2. NAFIs employ civilian personnel in overseas areas in accordance with:

- DoD Directive 1400.6, *DoD Civilian Employees in Overseas Areas*.
- DoDI 1400.10, *Employment of Foreign Nationals in Foreign Areas*.

3.14. Employment Procedures:

3.14.1. Establishing Positions. Air Force managers and supervisors establish positions by writing a position description and position guide that contains:

- An accurate description of duties and responsibilities.
- Realistic qualification requirements.
- Measurable performance standards.
- Training requirements.

3.14.2. Employment Requirements. Employment requirements for NAF positions include:

- Complying with provisions of the *Dual Compensation Act*, PL 88-448, and the *Immigration Reform and Control Act of 1986*, PL 99-603.
- Getting a security clearance for a sensitive position.
- Favorably completing a National Agency Check (NAC), Installation Records Check (IRC), and State Criminal History Repository Check (SCHRC) when applicable to the position.

3.14.3. Methods of Filling Positions. Hiring officials may fill NAFI positions by:

- Promoting employees.
- Reassigning employees.
- Detailing employees.
- Changing employees to a lower grade or pay band.
- Reemploying former employees.
- Recruiting employees from outside sources.

3.14.4. Applicant Supply File. The HRO maintains the only applicant supply file for NAFI positions.

3.14.5. Probationary Periods. Probationary periods are required for individuals hired in NAF positions. The length of probationary periods are:

- Six months for pay bands NF-I and NF-II, and crafts and trades (CT) employees.
- Twelve months for pay bands NF-III through NF-VI, and child development (CC) employees.

Chapter 4

POSITION CHANGES AND SEPARATIONS

4.1. Details. A detail is a temporary assignment of an employee to a different position for up to 60 days without a change in pay. Employees return to their original position at the end of a detail.

4.2. Reassignments. Managers may reassign employees within the organization to promote efficiency.

4.2.1. Managers may reassign crafts and trades employees to other positions without changing the:

- Employment category.
- Pay plan.
- Grade.
- Guaranteed hours.
- Rate of pay.

4.2.2. Managers may reassign pay band employees to other positions without changing the:

- Employment category.
- Pay band.
- Guaranteed hours.

4.2.2.1. Managers may adjust a pay band employee's pay upward if the position has increased responsibilities.

4.3. Temporary Reassignments. Managers and supervisors may make temporary reassignments under the same conditions as reassignments. They must last at least two pay periods, but not longer than 6 months.

4.4. Promotions. A promotion is the change of an employee from one grade or pay band to a higher grade or pay band. Employees usually compete for promotions, and must meet the qualifications for the new position. An employee's pay is adjusted upward upon promotion.

4.5. Temporary Promotions. Managers and supervisors may make temporary promotions. These promotions:

- May be noncompetitive.
- Must last at least two pay periods.
- May not exceed 6 months.

4.6. Separations. NAFI officials separate employees because of:

- Voluntary retirement.
- Voluntary resignation.
- Involuntary termination of flexible employees.
- Business based action procedures.

- Removal for cause of regular employees.
- Resignation for abandonment of position.
- Death, loyalty or security reasons, conflict of interest, or disability.

4.7. Dissolving a NAFI. When authorities dissolve a NAFI, they must use business based action procedures.

4.8. Transfers of Function. When authorities transfer the responsibility for a function of a NAFI to one or more NAFIs within or between DoD components, the applicable Services Headquarters must direct the transfer.

4.8.1. The commander having jurisdiction of both NAFIs approves a transfer of function between Air Force NAFIs.

Chapter 5

BUSINESS BASED AND DISCIPLINARY ACTIONS

5.1. Types of Business Based Actions (BBAs). NAFI officials use these actions to adjust resources because of:

- Reorganization.
- Realignment of workload.
- Elimination of duties and responsibilities from a position.
- A lack of funds.
- A need to be competitive with pay in the local labor market.

5.1.1. Business based actions consist of:

- A reduction in employment category or pay rate.
- A change to lower grade or pay band.
- A furlough of 8 calendar days or more.
- A separation.

5.2. Processing BBAs). Employees are affected by BBAs only if so identified after an objective, fair, and equitable ranking against other employees in the same employment category, series, grade or pay band, and NAF activity. The ranking process considers both performance and seniority, although performance is the primary criterion.

5.2.1. All BBAs require officials to provide written advance notice to the affected employees.

5.2.1.1. Regular employees receive a notice of:

- 7 calendar days for a nonseparation action.
- 30 calendar days for a separation.

5.2.1.2. Employees in a NAF Career Program position receive a notice of 60 calendar days for separation.

5.2.1.3. Flexible employees receive a notice of:

- 24 hours for a nonseparation action.
- 7 calendar days for separation.

5.2.2. Officials may place career program employees on limited LWOP under certain conditions, if they do not receive placement through career program procedures within the 60-day notice period for separation.

5.3. Reemployment Priority Lists (RPLs). HROs maintain an RPL to provide placement assistance to those employees separated by BBA.

5.3.1. Separated employees have:

- Priority placement rights in the NAF activity from which separated.

- Priority consideration rights at other DoD NAF activities in the commuting area (100-mile radius).

5.3.2. Separated employees remain on the RPL until reemployed, or for 1 year after the date of separation, whichever occurs first.

5.4. Appeal Rights. Employees may appeal a BBA if they believe that management failed to follow BBA instructions and procedures.

5.5. Severance Pay. Regular employees who involuntarily separate because of a BBA may receive severance pay, if they have completed at least 12 continuous months of regular DoD NAF service. **EXCEPTIONS:** The employee:

- Becomes reemployed in another regular NAF position without a break in service of more than 3 calendar days.
- Refuses an offer of an equivalent position.
- Accepts employment in a continuing APF position without a break in service of more than 3 calendar days.

5.6. Disciplinary Actions. Supervisors take disciplinary actions to correct and rehabilitate an employee for misconduct. Disciplinary actions include:

- Oral admonishment.
- Reprimand.
- Termination.
- Suspension.
- Demotion.
- Removal.

5.6.1. Supervisors do not use suspensions and removal actions to discipline flexible employees.

5.6.2. Supervisors give all disciplinary actions in writing with the exception of oral admonishment.

5.6.3. The HRO helps prepare:

- All letters of reprimand.
- Notices of termination.
- Proposed and decision letters for suspensions, demotions, and removals.

5.6.3.1. The HRO should consult the base legal office on proposed and decision letters for suspensions, demotions, and removals.

5.6.4. Employees may:

- File a grievance in response to letters of reprimand, terminations, and suspensions.
- Appeal decisions to demote or remove them.

Chapter 6

PERFORMANCE EVALUATIONS, INCENTIVE AWARDS AND TRAINING

6.1. Evaluating the Performance of Employees:

6.1.1. Supervisors develop work performance standards that are fair and objective, and record them on the employee's position guide.

6.1.1.1. Performance standards identify the quality, quantity, and timeliness of successful job performance.

6.1.1.2. Supervisors must:

- Make employees aware of their performance standards.
- Objectively evaluate them on a scheduled and continuous basis.

6.1.2. Supervisors complete annual evaluations of all employees at the same time.

6.1.2.1. Supervisors may consider all employees for performance awards.

6.1.2.2. Supervisors may consider pay band employees for pay adjustments for continued excellent performance.

6.1.3. Supervisors must advise employees with declining work performance in writing of their work performance deficiencies before assigning a less than satisfactory evaluation.

6.1.3.1. Regular employees receive a performance improvement period (PIP) of at least 30 days. the PIP for flexible employees is at least 7 days.

6.1.3.2. If the employee's performance remains unacceptable after the PIP ends, the supervisor takes one of three actions:

- Reassigns the employee.
- Terminates the employee (if flexible).
- Proposes to demote or remove the employee (if regular).

6.1.4. Employees may file a grievance as a result of:

- Performance evaluation.
- Actions that officials take as a result of unacceptable performance.

6.2. Incentive Awards. Supervisors recognize NAF employees with:

- Performance awards.
- Special act or service awards.
- On-the-spot awards.
- Honorary awards.
- Time off awards.
- Special employee recognition program awards.
- Service recognition.
- Letters of commendation.

6.2.1. Supervisors process all incentive awards through the HRO and the payroll office.

6.3. Suggestion Program. Each installation prepares an operating instruction (OI) that establishes a suggestion program to include procedures for:

- Reviewing and approving award nominations.
- Determining when cash awards are used.

6.3.1. NAF employees submitting suggestions use the forms that AFI 38-401, *Instruction for the Air Force Suggestion Program*, requires.

6.4. Training and Career Development. Training and career development is provided to NAF employees to enhance the employees' ability to perform their official duties. If NAFs are used for tuition, travel, per diem, or other fees relating to the training, an employee must sign a NAF service and reimbursable agreement in accordance with AFMAN 34-310, prior to engaging in such training.

Chapter 7

APPEALS AND GRIEVANCES

7.1. General. Employees may file an appeal or grievance to express dissatisfaction with matters relating to his or her conditions of employment without fear of penalty or reprisal or the threat thereof.

7.1.1. At least once a year, HROs:

- Advise employees of their appeal and grievance rights.
- Make these procedures available for review.

7.1.2. HROs refer employee charges of alleged discrimination that arise in connection with an appeal or grievance to the Chief EEO Counselor.

7.1.3. HROs notify the employee in writing of the referral.

7.2. Grievances. A grievance is a written request made by an employee, or a group of employees acting collectively, for personal relief relating to the employment of the employee(s) which is subject to the control of management. The grievance process involves 3 steps, with the 3rd step decision made by the installation commander.

7.2.1. The decision at each step of the grievance process is in writing, and is reviewed by the HRO prior to issuance to the employee.

7.3. Appeals. An appeal is a written request that an employee makes to contest:

- A demotion or removal for cause.
- A business based action.
- A demotion based on position classification.

7.3.1. For flexible employees, the appeal process involves 2 steps, with the 2nd step decision made by the installation commander.

7.3.2. For regular employees, the appeal process involves 3 steps, with the 3rd step decision made by the MAJCOM Director of Services.

7.3.3. The decision at each step of the appeal process is in writing. The HRO reviews the Step 1 and 2 decisions prior to issuance to the employee.

Chapter 8

EMPLOYEE AND LABOR MANAGEMENT RELATIONS

8.1. Employee Conduct. Employees will:

- Display the highest standards of personal conduct and integrity.
- Discharge assigned duties conscientiously.
- Meet performance requirements.

8.1.1. Officials brief employees on DoD Directive 5500.7, *Standards of Conduct*, at the time of appointment and at least annually thereafter.

8.2. Employee Safety and Health. Employees:

- Comply with safety and health directives.
- Promptly report all on-the-job accidents and injuries to their supervisors.

8.2.1. Supervisors promptly report all on-the-job accidents and injuries to the HRO and Ground Safety Office.

8.3. Equal Employment Opportunity (EEO). Supervisors and hiring officials must comply with:

- AFI 36-205, *Equal Employment Opportunity (EEO) and Affirmative Employment Programs*, which covers equal opportunity in employment, development, advancement, and treatment of employees.
- AFI 36-1201, *Managing Civilian Personnel Discrimination Complaints*, which provides policies and procedures for investigation and settling complaints of discrimination.

8.4. Substance Abuse. Supervisors comply with AFI 36-810, *Substance Abuse Prevention and Control Program*, which explains how to identify and rehabilitate substance abusers.

8.5. Fair Labor Standards Act (FLSA) Violations. Employees who believe the FLSA has been violated may file a complaint.

8.6. Actions Based on Medical Qualifications. Employees who cannot perform their duties because of a health related condition must provide adequate evidence of the medical condition. If an employee fails to provide adequate evidence, supervisors may propose to separate the employee. If an employee submits acceptable evidence, supervisors may:

- Restructure the duties of the position to accommodate the employee's medical condition.
- Reassign the employee to a position with duties they are medically qualified to perform.

8.7. Labor Management Relations. Officials must comply with AFI 36-701, *Labor-Management Relations*, which implements and establishes the policies, principles, and procedures that apply to labor-management relations for NAF employees.

8.7.1. Activity managers:

- Administer the negotiated agreement with the local labor organization within their activities.

- Ensure that no interference, restraint, threat, or discrimination is practiced that encourages or discourages membership in any labor organization.

8.7.2. The HRO:

- Provides guidance and advice to managers in administering the negotiated agreement.
- Maintains constructive relationships with both local union officials and the Labor Relations Officer (LRO).
- Requests guidance and assistance from the LRO on matters such as arbitrations, contract negotiations and unfair labor practices.
- Coordinate with the LRO grievances that employees file under the negotiated agreement.

Chapter 9

BENEFIT PROGRAMS

9.1. Retirement Plan. The voluntary retirement plan is available to most regular employees.

9.1.1. The employee and employing NAFI both contribute to the retirement plan.

9.1.2. The plan is administered in accordance with AFI 34-302, Nonappropriated Fund (NAF) Employee Retirement Plan Guidance and Procedures.

9.2. Group Life, and Accidental Death and Dismemberment and Health Insurance Programs.

Both of these voluntary plans are available to most regular employees at a moderate cost to the employee and employer.

9.2.1. The programs are administered in accordance with:

- AFI 34-305, *Nonappropriated Fund Employee Group Health Plan*.
- AFI 34-306, *Nonappropriated Fund Employee Group Life and Accidental Death and Dismemberment Plan*.

9.3. Flexible Benefits Plan (FBP). The FBP allows regular NAF employees and retirees, who enroll in the group health plan, to pay their health plan contributions with pre-tax earnings.

9.3.1. The plan is administered in accordance with AFI 34-307, *Nonappropriated Fund Employee Flexible Benefits Plan*.

9.4. Workers' Compensation Program. NAF employees are eligible for workers' compensation disability income and authorized medical expense benefits in accordance with AFI 34-308, *Nonappropriated Fund Workers' Compensation Program*.

9.5. Unemployment Compensation Program. NAF employees are eligible for unemployment compensation.

9.5.1. The program is administered in accordance with AFI 34-309, *Nonappropriated Fund Unemployment Compensation (UC) Program*.

9.6. DoD Employee Benefit Portability Program. The program applies to employees who move between NAF and APF employment systems within the DoD without a break in service of more than 3 calendar days.

9.6.1. The program is administered in accordance with the *Portability of Benefits for Nonappropriated Fund Employees Act of 1990* (PL 101-508, Section 7202).

Chapter 10

LEAVE AND OTHER ABSENCES

10.1. General. Leave is an employee benefit that contributes to the overall efficiency, productivity, and morale of an employee.

10.2. Annual Leave. Annual leave is paid time off from work for:

- Vacation.
- Transacting personal business that employees cannot take care of during off-duty hours.

10.2.1. Regular employees accrue annual leave:

- While in a pay status, excluding overtime.
- On a maximum of 40 hours per week.

10.2.2. In most circumstances, employees may carry no more than 240 hours of leave from one leave year to the next.

10.2.3. Employees with 90 or more days of continuous regular employment receive pay for all accumulated annual leave when separating from NAF employment.

10.3. Sick Leave. Sick leave is paid time off for absences due to:

- Illness.
- Injury.
- Examinations and treatment by a physician.
- Exposure to a contagious disease.
- Illness of a family member with a contagious disease.

10.3.1. Regular employees accrue sick leave:

- While in a pay status, excluding overtime.
- On a maximum of 40 hours per week.

10.3.2. An employee may accumulate and carry forward any amount of sick leave from one leave year to another.

10.3.3. An employee may not receive payment for unused sick leave for any reason.

10.4. Leave Without Pay (LWOP). LWOP is a temporary authorized absence from duty in a nonpay status. It may be granted:

- Upon the employee's request.
- When the employee has insufficient annual leave or sick leave, or compensatory time available to cover an approved absence.

10.5. Absence Without Leave (AWOL). AWOL is an unauthorized absence from duty. AWOL may lead to disciplinary action.

10.6. Military Leave. Military leave is leave that regular employees receive without loss of pay to perform military duty. Eligible employees:

- May use 15 days of leave each fiscal year.
- May carry unused leave (not to exceed 15 days) to the next fiscal year.
- May receive an additional 22 days of military leave during a fiscal year, when the Air Force calls them to active duty to help enforce the law.

10.7. Military Furlough. Military furlough is a long-term absence that employees receive for induction or recall to active duty in one of the US military services. Upon returning to their NAF job, the employees have the same seniority, status, pay, and, if appropriate, leave accrual entitlements that they would have enjoyed had they remained on the job.

10.8. Court Leave. Court leave is leave of absence for regular employees (without loss of pay or charge to annual leave) to:

- Perform jury duty.
- Serve as a witness on behalf of the government.

10.9. Administrative Leave. Administrative leave is an absence from duty (normally without loss of pay) for a short period of time because of:

- The closure of an activity when normal operations are interrupted by events beyond the control of management.
- The closure of an activity is necessary for managerial reasons.

10.10. Excused Absences. Excused absence is an administratively authorized absence from duty without loss of pay or charge to leave. Such absences include:

- Absence for brief periods of tardiness.
- Voting or registration.
- Unpaid blood donations.
- Consultations with operating officials or the HRO.
- Medical examinations for employment.
- Attendance at meetings or conferences.
- Holiday observance of legal holidays.
- Military funerals.
- Absences in connection with a permanent change in duty station.

10.11. Parental Leave. Parental leave covers:

- Absences for pregnancy and confinement.
- Leave for adoptive parents.
- Paternity leave.

10.11.1. For absences relating to pregnancy and confinement, employees receive sick leave, annual leave, and LWOP, depending on the circumstances and availability of each type of leave.

10.11.2. For absences relating to adoption, employees receive annual leave or LWOP.

10.11.3. For absences relating to absence of a male employee to care for his minor children or the mother of his newborn child during confinement or incapacitation, employees receive annual leave or LWOP.

10.12. Forced Leave. Forced leave is used by management to reduce or suspend work schedules when business operations are temporarily reduced or suspended. Forced leave is usually LWOP, however regular employees may take annual leave instead of LWOP.

10.13. Voluntary Leave Transfer Program (VLTP). The VLTP permits a regular NAF employee to donate annual leave to another regular employee who faces a substantial loss of income because of insufficient sick and annual leave to cover a lengthy absence caused by a medical emergency.

10.13.1. The Services Squadron Commander administers the VLTP on an installation-wide basis

10.14. Family Leave and Medical Leave Program. *The Family and Medical Leave Act of 1993* (PL 103-3), requires NAFIs to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for certain family and medical reasons.

Chapter 11

POSITION CLASSIFICATION

11.1. Systems for Classifying and Paying Positions. NAF positions are classified into one of three major pay-setting systems:

- Prevailing rate positions consisting of crafts and trades (CT) positions.
- NAF pay band positions.
- Child development positions.

11.2. NAF Crafts and Trades (NA, NL, and NS) Pay System. The CT pay system includes positions in a recognized craft or trade. It incorporates 3 pay schedules:

- NA and NL, which each consist of 15 grades with 5 steps in each grade.
- NS, which consists of 19 grades with 5 steps in each grade.

11.2.1. New employees normally start at step 1 and progress through the 5 steps at predetermined intervals.

11.3. NAF Pay Band (NF) System. The NF pay band system includes these positions:

- Clerical.
- Administrative.
- Retail.
- Recreational.
- Managerial.
- Executive.
- Technical.
- Professional.

11.3.1. The NAF pay band system includes 6 pay bands (NF-I through NF-VI), each with a minimum and maximum hourly rate.

11.4. Child Development (CC) Pay System. The CC pay system covers child development positions within the Child Development Center. This system includes 2 pay bands, each with a minimum and maximum hourly rate:

- Pay band I covers grades CC-01 and CC-02.
- Pay band II covers grades CC-03 through CC-05.

11.4.1. Standardized position guides (PGs) are used for CC positions.

11.5. Standardized Position Descriptions (PDs) and Position Guides (PGs). HROs and supervisors use Air Force standardized PDs and PGs in accordance with AFMAN 34-313, *Human Resources Nonappropriated Fund (NAF) Personnel Management and Administration Standardized Position Descriptions and Position Guides*, and *Classification Standards Use*.

11.6. Supervisor Responsibilities:

11.6.1. Determine the duties of positions.

11.6.2. Use Air Force standardized PDs and PGs when possible.

11.6.3. Develop:

- New PDs on AF Form 1065, **NAF Civilian Position Description**.
- New PGs on AF Form 1702, **NAF Position Guide**.

11.6.4. Report changes in duties to the HRO promptly.

11.6.5. Maintain:

- A current functional statement and organization chart.
- Copies of AF Forms 1065 and 1702 for all positions.

11.7. Responsibilities of HROs. HROs classify new positions.

11.7.1. Classify NAF CT positions in accordance with:

- FPM Supplement 512-1, *Job Grading System for Trades and Labor Occupations*.
- FPM Supplement 532-2, *Federal Wage System - Nonappropriated Fund Employees*. **NOTE:** See FPM Supplement 512-1 and DoD Manual 1401.1-M-1, *Job Grading System Manual for Nonappropriated Fund Instrumentalities*.

11.7.2. Classify NAF pay band (NF) positions in accordance with the classification standards for NAF pay band positions in AFMAN 34-310.

11.7.3. Maintain for all positions, a complete file of:

- Current PDs and PGs.
- Organization charts.
- Survey records.

11.8. Classification Appeals. NAF employees may file a written appeal with respect to the classification of their position to change:

- The pay system.
- The grade or pay band.
- The occupational series.
- The job title.

Chapter 12

PAY AND ALLOWANCES

12.1. General Information. This chapter supplements the guidance contained in DoD Manual 1401.1-M and FPM Supplement 532-2, for administering the wage system for NAF CT employees, and also provides basic instruction for administering the NF and CC pay systems.

12.2. Wage and Pay Schedules. The DoD Wage Fixing Authority (DoDWFA) is the pay fixing authority for NAF employees within the DoD.

12.2.1. The DoDWFA issues CT wage schedules as a result of:

- Locality surveys.
- Changes to the federal minimum wage, or state minimum wage, if higher.

12.2.1.1. The HRO adjusts the pay of CT employees to the scheduled rate of pay when they receive a revised wage schedule.

12.2.1.2. The effective date of the adjustment is the effective date indicated on the schedule.

12.2.2. The DoDWFA issues pay schedules setting the minimum and maximum rates for pay bands NF-I and NF-II, and the minimum for pay band NF-III, at the same time as the schedule for CT employees.

12.2.2.1. The HRO adjusts the pay of NF-I and NF-II employees using the average percentage increase indicated on the NAF Pay System Report for each pay band.

12.2.2.2. The effective date of the adjustment is the effective date indicated on the schedule.

12.2.3. The DoDWFA issues pay schedules setting the maximum rate for NF-III, and the minimum and maximum rates for NF-IV through NF-VI as a result of changes to the General Schedule (GS).

12.2.3.1. On the effective date of the schedule, the HRO adjusts the pay of NF-III through NF-VI employees using the same percentage of the annual legislative pay increase.

12.2.3.2. The effective date of the adjustment is the effective date indicated on the schedule.

12.3. Basic Requirements for Salary Payments. All administrative requirements must be met before an employee is entitled to pay for hours worked.

12.3.1. The HRO:

- Documents the effective dates of job assignments on the AF Form 2545, **NAFI Notification of Personnel Action**.
- Provides a copy of the form to the payroll office.

12.3.1.1. NAFIs may not pay any wage or salary to an individual through the payroll system for any period before the effective date shown on the AF Form 2545.

12.4. Within-Grade Increases (WGIs). A CT employee whose performance is satisfactory, advances to the next higher step of his or her grade after they complete a predetermined waiting period.

12.4.1. A CT employee does not advance if he or she has already received an equivalent increase during the waiting period.

12.4.2. The effective date of a WGI for an eligible employee is the beginning of the first pay period after the employee completes the required waiting period.

12.5. Grade and Pay Retention. The HRO administers grade and pay retention for regular NAF employees in accordance with FPM Supplement 532-2, and AFMAN 34-310.

12.6. Overtime Pay. NAF employees are entitled to compensation for overtime work. The extent of the entitlement depends upon the employees':

- Status as either a CT employee or a pay band employee.
- Classification as either exempt or nonexempt under the FLSA.

12.6.1. Crafts and Trades (CT) Employees. The nonexempt CT employee in a nonforeign area is entitled to be paid overtime for hours worked in excess of 8 hours in a day or 40 hours in a scheduled workweek, provided the employee is ordered, directed, required, approved, or "suffered or permitted" to work the overtime.

12.6.1.1. An employee's absence on any type of paid absence is deemed hours of work.

12.6.1.2. An exempt employee in a nonforeign area, and an employee in a foreign area must be specifically ordered and approved in advance to work overtime.

12.6.2. NAF Pay Band (NF and CC) Employees. The nonexempt employee in a nonforeign area is entitled to be paid overtime for hours worked in excess of 40 hours of work actually performed in a scheduled workweek, provided the employee is ordered, directed, required, approved, or "suffered or permitted" to work the overtime.

12.6.2.1. Excused absences with pay are not hours of work.

12.6.2.2. An exempt employee in a nonforeign area, and an employee in a foreign area must be specifically ordered, and approved in advance to work overtime.

12.7. Compensatory Time Off. Certain employees may be authorized compensatory time off in place of overtime pay under specific circumstances.

12.7.1. The CT, CC, NF-I or NF-II employee is not entitled to compensatory time except for religious observance.

12.7.2. NF-III through NF-VI employees, in addition to compensatory time for religious observance, may in some cases, be granted compensatory time off:

- At their request.
- When management directs it in lieu of overtime payment.

12.8. Night Differentials. CT employees must receive night shift differential for work performed during an established night shift.

12.8.1. Other employees may receive night pay differentials only in localities where the civilian sector also pays the differentials.

12.8.1.1. The Services Commander determines whether NF-I and NF-II, NF-III through NF-VI, and CC employees receive night differentials.

12.8.1.2. The Services Commander ensures that all eligible employees are similarly paid; either all are paid differentials or all are not.

12.8.2. Night Shift Differential. For regularly scheduled nonovertime work, CT and pay band (NF-I and NF-II) employees receive their scheduled rate of basic pay plus:

- A differential of 7 1/2 percent of that scheduled rate when a majority of whole hours worked occurs between 3:00 PM and midnight.
- A differential of 10 percent when the majority of whole hours worked occurs between 11:00 PM and 8:00 AM.

12.8.3. Night-Pay Differential. For regularly scheduled nonovertime work, pay band (NF-III through NF-VI) and CC employees receive their scheduled rate of basic pay plus an additional differential of 10 percent of that scheduled rate for work that falls between 6:00 PM and 6:00 AM.

12.9. Sunday Premium Pay. Regular employees who work 40 hours per week may receive Sunday premium pay.

12.9.1. CT employees must receive Sunday premium pay for work performed in an established Sunday premium pay period.

12.9.2. The Services Commander determines whether eligible pay band (NF and CC) employees receive Sunday premium pay.

12.9.2.1. The Services Commander ensures that all eligible employees are similarly paid; either all are paid Sunday premium pay or all are not.

12.9.3. Employees who work during a regularly scheduled tour of duty of 8 nonovertime hours or less, any part of which is performed on a Sunday, receive pay for the entire tour of duty at their rate of basic pay, plus premium pay at a rate equal to 25 percent of their rate of basic pay.

12.10. Holiday Observance. NAFIs observe legal holidays in accordance with Federal law or Executive Order. Only regular employees are entitled to be excused with pay on holidays or observed days

12.10.1. Holiday Pay and Holiday Premium Pay:

12.10.1.1. Eligible employees who are excused from work on a holiday, receive their regular basic pay for the number of nonovertime hours that would have been scheduled had it not been a holiday.

12.10.1.2. Eligible employees who work on a holiday, receive their regular basic pay for the number of hours worked, plus holiday premium pay (at a rate equal to their regular basic pay), for the number of nonovertime hours actually worked on the holiday.

12.11. Hazard and Environmental Differentials. Payment for hazard and environmental differentials is made:

- For NF-III through NF-VI employees according to FPM Supplement 990-2, book 550, subchapter S-9, *Hours of Duty, Pay, and Leave*.
- For CT employees according to FPM Supplement 532-2, subchapter S8-7.

12.12. Severance Pay. Regular employees may be entitled to receive severance pay when involuntarily separated by a BBA in accordance with AFMAN 34-310.

12.13. Allowances and Differentials. In a nonforeign area, NF-III through NF-VI employees are entitled to receive the same nonforeign area allowance that APF employees receive in accordance with FPM Subchapter 591, *Allowances and Differentials Payable in Nonforeign Areas*.

NORMAND G. LEZY, Brig General, USAF
Director of Services

Attachment 1

LIST OF REFERENCES

NOTE:

Users are responsible for verifying the currency of the cited documents.

AFI 34-201, *Use of Funds* (formerly AFR 176-1 and 176-2)

AFI 34-302, *Nonappropriated Fund (NAF) Employee Retirement Plan Guidance and Procedures* (formerly AFR 176-31)

AFI 34-305, *Nonappropriated Fund Employee Group Health Plan* (formerly AFR 34-3, volume VIII)

AFI 34-306, *Nonappropriated Fund Employee Group Life and Accidental Death and Dismemberment Plan* (formerly AFR 34-3, volume VIII)

AFI 34-307, *Nonappropriated Fund Employee Flexible Benefits Plan*

AFI 34-308, *Nonappropriated Fund Workers' Compensation Program* (formerly AFR 176-29)

AFI 34-309, *Nonappropriated Fund Unemployment Compensation (UC) Program* (formerly AFR 176-25)

AFI 36-205, *Equal Employment Opportunity (EEO) and Affirmative Employment Programs* (formerly AFR 40-713)

AFI 36-701, *Labor-Management Relations* (formerly AFR 40-711)

AFI 36-810, *Substance Abuse Prevention and Control* (formerly AFR 40-792)

AFI 36-1201, *Managing Civilian Personnel Discrimination Complaints* (formerly AFR 40-1614)

AFI 37-131, *Air Force Freedom of Information Act Program* (formerly AFR 12-30)

AFI 37-132, *Air Force Privacy Act Program* (formerly AFR 12-35)

AFMAN 37-139, *Disposition of Air Force Records - Records Disposition Schedule* (formerly AFR 4-20V2)

AFI 38-401, *Instruction for the Air Force Suggestion Program* (formerly AFR 900-4)

AFMAN 34-301, *Nonappropriated Fund Personnel Program Management and Administration Procedures*

AFPD 34-3, *Morale, Welfare, Recreation, and Services Nonappropriated Funds Personnel Management and Administration*

AFR 40-7, *Nonappropriated Funds Personnel Management and Administration*

DoDD 1400.6, *DoD Civilian Employees in Overseas Areas*, 15 February 1980

DoDD 1400.10, *Employment of Foreign Nationals in Foreign Areas*, 5 December 1980

DoDD 1401.1-M, *Personnel Policy for Nonappropriated Fund Instrumentalities (NAFIs)*, 5 November 1985

DoDD 5500.7, *Standards of Conduct*, 30 Aug 93

DoDI 1404.12, *Employment of Spouses of Active Duty Military Members Stationed Worldwide*, 12 January 1989

DoDM 1401.1-M-1, *Job Grading System Manual for Nonappropriated Fund Instrumentalities*, October 1981

FPM Supplement 512-1, *Job Grading System for Trades and Labor Occupations*

FPM Supplement 532-2, *Federal Wage System - Nonappropriated Fund Employees*

FPM Chapter 591, *Allowances and Differentials Payable in Nonforeign Areas*

FPM Supplement 990-2, *Hours of Duty, Pay and Leave*

PL 99-603, *Immigration Reform and Control Act of 1986*

PL 103-3, *Family and Medical Leave Act of 1993*

PL 101-508, *Portability of Benefits for Nonappropriated Fund Employees of 1990*

5 U.S.C. 552a, *Privacy Act of 1974*

38 U.S.C Chapter 43, *Veteran's Reemployment Rights*

MWR AF NAF Personnel System Program Action Directive (PAD)